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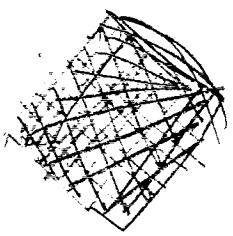
MONTHLY
REGION HIGHLIGHTS

APRIL 1993



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REGION 1 MONTHLY HIGHLIGHTS
APRIL 1993

I. VOLUME	Month	YTD	% Change YTD
Marlboro	865	5,954	-11.0
Premium	1,275	8,534	-13.6
Discount	460	1,913	36.7
FVB	199	741	68.3
Basic	12	59	100.0

II. PM U.S.A. BRANDS

Section 11

MARLBORO B3G2F

The Marlboro B3G2F is selling rapidly as anticipated. The shipper and point-of-sale materials have provided excellent visibility for the promotion, and unlike other items have been maintained in prime positions for the duration of the program. The 5-pack sleeve should carry stronger graphics to clearly communicate the fact that this is a B3G2F promotion. Current graphics do not clearly communicate this to consumers who often confuse this with the regular Marlboro 5-Pack.

MARLBORO LEADERSHIP PROGRAM

SECTION 12

The media hoopla triggered by our Leadership announcement has made the preliminary sales presentation for our FSF. Store personnel are cognizant of Leadership and have been waiting for Sales Rep/Account Manager visits. Field reports indicate that our program penetration goals are well within reach with positive response delineated from all three Districts.

Preliminary feedback from our early selling efforts indicates that retailers have been anticipating something grand from Marlboro. Two Units in the Buffalo District are tying the Leadership program to permanent P.O.S. sell-in. Logistical (e.g. stickering) issues surrounding New York State buy-down laws need to be resolved in order to realize executional excellence.

As we work through program elements such as stickering for N.Y.S., part-time compliance audits and contingency call coverage, RJR is able to produce a competitive response prior to the implementation of our original program. They have been able to discern our program quickly and simplify execution with their response.

Several Concerns Have Been Raised Regarding The Implementation Of M.L.P.

√ Retail chains that don't have scanning have expressed their concerns that different price points will create inaccurate dollar collection.
√ Retailers have voiced their opinion that they do not have enough PLU keys to properly manage all reduced price points. Precon can help alleviate this problem.
√ RJR has reacted faster and better with the $4 off per carton program with POS, starburst, and pack stickers already in place. Wholesalers **perceive** that RJR's program is better only in the fact that coupons are Precon and $4.00 off comes "off invoice".
√ Some customers expressed their fear that 120% may not be sufficient to meet their customer demands, and in many cases retailers are asking for more.
√ Sticker logistical issues.

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M.L.P. Competitive Response

- At the upcoming Mountain Candy Trade Show this weekend, RJR has a $4.00 off Winston prebook form available for retailers.
- Winston packs and cartons are couponed at 50¢/$5.00 off respectively at Wegmans.
- $1 off 2 pack coupons on Winston/Camel have also been seen at Mobil Oil locations.
- A direct mail Camel offer that contains $7 worth of coupons has been seen throughout the Section.

Buffalo District

We have obtained a copy of RJR's $4.00 "off invoice" promotion (all product has separate UPC codes) on Winston for **ALL** accounts effective 5/17-7/2. The promotion has the same time frame and duration as the Leadership program. All product (packs and cartons) will be stickered pre-con out of RJR warehouses with a $6.00 wholesale allowance on all purchases. Distributors are given $15.00 for placement of 40-pack set sells for all non-workload accounts and accounts with sales below 100 cpw.

Other pertinent RJR information includes 50¢ couponing of existing Salem stock in Jamestown and 75¢ off all Camel packings in Lockport (other reports indicate 50¢ off Camel in several stores). Lorillard is offering 50¢ off all Old Gold packings in June, July and August.

Albany District

RJR is running 65¢ off per pack and B1G1F on Camel Special Lights in the Albany District. They have told a few retailers at an area trade show that they will do whatever it takes to compete (this statement was also confirmed in the Buffalo District). RJR has also been reported to be working on their own van program.

SECTION II

The Marlboro Leadership Program sell-in has been successful to date with minimum refusals noted. R. Simons' letter of 4/22/93 did cause major concern regarding compliance issues, the four week price reduction regardless of allocation sell-out and the 70% formula for determining budget allocations. In fair trade states, it is against the law for retailers to go below minimum price unless it is a manufacturer's promotion. Overall, participation is anticipated to exceed 70% objective due to current demands for program, regular workload accounts, as well as non-workload accounts.

Several distributors have expressed concern that the Marlboro Leadership Program is increasing their credit risk exposure via increased accounts receivable. Future programs should consider this fact and possibly offer extended credit terms for the additional product we are booking in through each wholesaler.

We have received numerous complaints from customers regarding how complicated our program is versus the competition. Recommendations for future programs should include off invoice in redeemable coupons. This would simplify the process and eliminate logistical problems which we are currently having.

The $4.00 carton coupon F.S.I. on 4/24/93 received in major newspapers (Boston Globe, Hartford Courant) came as a surprise. With even limited advance notice, a large quantity of product could have been sold into retail. Also the expiration date on the coupons (6/30/93) may result in $9.00 consumer savings. A suggestion would be to have the coupon expire the day before Leadership began.

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SECTION 14

Marlboro Leadership follow-up presentations being made to major chain accounts. How to "execute" is the issue more than program acceptance. Most retailers feel compelled to participate so as not to be competitively disadvantaged in the marketplace. Cash register reconciliation, administrative fees, advertising allowances, State's legal issues, if four weeks/120% sells out before the actual four weeks are up, or, what if more than 120% is sold, all are issues raised by retailers.

Merit Oil Company

Accepted, but . . . with MLP there is a concern that because of competitive response by RJR with 40¢ off across the board, stores will be required to carry up to three separate inventories on premium brands alone: regular inventory (non-promoted product), 30¢ or 50¢ off inventory and 40¢ off inventory.

Super Fresh (72 Stores)

Accepted, but is concerned about lack of advertising allowances and no available PM monies to cover administrative costs in changing all scanning information for packs and cartons for stores in three states in order to get the program up and running.

Wawa Food Markets (505)

Acceptance pending due to accounting/store reconciliation issues. Very labor intensive and difficult to track in this non-scanning chain. Stickering not an option with the amount of Marlboro product involved. Accepting additional product with factory applied stickers also not an option given the amount of Marlboro still in their warehouse from the "buy-in".

MLP being well received by all accounts although some inner city accounts do not want to take the full 120% allocation because of financial difficulties. Even with accepting the product in two waves they still find the allocation to be too much, especially since in these accounts Marlboro ranks as the number 4 brand behind Newport, Kools and Salem.

MARLBORO ADVENTURE TEAM

Section 12

Informational pamphlets sent to Retail Masters accounts announcing the MAT Vans' existence is creating retailer awareness and alacrity. Demand for incentives like the beach towel as well as scheduling Van visits is at high level. We continue to suggest that additional media support (outdoor print) would help add to the momentum of the Adventure Team initiated at retail and reinforced with the Van.

We are also in the process of using the MAT Van concept at area trade shows such as Tripifoods (3/30/93), McLane (4/14/93) and NYACS (5/19/93) in conjunction with the exhibition of Retail Masters concepts. The only weakness of the Van noticed to date is that there might not be enough to go around.

The Marlboro Adventure Team Aisles & Miles II program with its "Bonus Miles" in concert with the Marlboro 5-For-3 is just what the doctor ordered. The Aisles & Miles II motivates retailers to provide us with a "competitive visibility advantage" while the 5-For-3 provides the essential "pull". Hindsight suggests that we may have been better able to leverage the Marlboro franchise if we would have utilized a strategy of greater depth in Retail Masters accounts vs. a "one size fits all" approach.

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Last week the new catalogs began to emerge at retail (ahead of schedule). Feedback from the field is positive from both the retailer and consumer perspective with comments that items in the new catalog are a much better value than those in the original (reduced mileage requirements). Of further note - several consumers who smoke Marlboro 25's have complained that they had to switch to 20's to get their miles.

MAT Van Suggestions/Feedback

The Albany District has provided us with some helpful suggestions in the retail delivery of the MAT Van:

(1) MAT Van O.P.M. and Counter Balance overlay be developed for the announcement of this exciting retail event for targeted stores. An attractive in-store piece will help create inquisitiveness and excitement for both retailers and consumers.

(2) Since store scheduling seems to be the most challenging issue, they have found it best to assign one Rep/territory per week per month.

(3) Advertise a full set of A-Team Gear in conjunction with the Van.

Section 14

Marlboro Adventure Team enthusiasm continues with "Win the Gear" sweepstakes and much consumer participation. Reports from Districts are that more new catalogs are already needed even though a forced shipment was received at retail the week of April 12. Account managers also receiving calls from chain headquarters for stores to receive more catalogs. (Wawa)

Section 11

Everyone is interested in the MAT program. Consumers, retailers, people who smoke and people who do not smoke, but would like to get the gear. Wholesalers also want the gear and would like to have the Marlboro jackets for their sales people to wear while working.

A. NEW PRODUCTS

B&H SPECIAL KINGS

Section 14

At this time sales are slow; many retailers still have the cap promotion on hand with little or no movement. Sales remain slow at retail and wholesale on all packings. In the inner city, B&H buy two packs get a T-shirt free, and the free lighter with one pack purchase, reaffirm that this product will sell if incentives are provided; however, retailers are not restocking this product on their own, resulting in numerous OOS's.

In the inner city, B&H Menthol Kings biggest competition is Riviera. Riviera's strategy is similar to ours in that they are targeting full margin menthol brands. Although Riviera is a generic brand, they have used this to their advantage stressing a quality alternative at a lower price.

Section 11

Movement at retail and wholesale remains very slow. The B1G1F will help, but in this area sales will remain slow. Our problem also relates to accounts already having B&H and wanting us to take them out and not bring in new ones, even B1G1F's. What we need is to go into accounts and buy back product to wrap or sell in product to wrap what an account has on hand. Section distribution is at 81.9%.

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Section 13
B&H KS still slow at retail but we were in the positive for volume moved into wholesale. B1G1F worked swiftly to move excess inventory and stimulated interest. Additional B1G1F's should continue to promote brand. SBO for July/August well received at wholesale level.

MARLBORO MEDIUM 100's

Sales on the box packing are fair, but soft pack is very slow. Even MAT 2-pack product on these packings hasn't stimulated sales.

Section 11
All product for the B1G1F has been used and the promotion sold very well. This brand will sell, but we have to keep promoting and displaying it.

MARLBORO 5-PACK

Since the end of co-fund program in December, sales have slowed. Retailers are looking for a promotion such as the lighter or coupons to encourage consumers to buy up from single pack purchases. With the introduction of Adventure Team, 5-pack sales have seen a dramatic decrease in sales. A quarterly program with co-funding or coupons involved would show a continued effort on our part to the retailers that we are committed to the 5-pack and its growth. Some wholesalers as well as retailers are not restocking the product. One of the biggest problems is that retailers do not know where to stock or display this product when it doesn't have an incentive or promotion.

Section 11
Again distribution has been hard to keep. With no special program, it is hard to get accounts to price this to our advantage as well as to increase overall sales of this packing. Our big problem is this is still a lot of money for consumers to spend in a pack outlet. What we need is displays, etc., in our major chains to promote this packing. Overall Section distribution is at 39.5% for all accounts and 61.6% for Retail Masters accounts.

B. PREMIUM

Section 11

Candian Players
We are going to have a meeting with some wholesalers in regard to working this brand. Also, we are looking at an increase during the summer months and will plan to have this brand in distribution in accounts needing it. The POS and displays should help promote this brand during that period.

C. DISCOUNT

Section 13
Continuous supply of coupons and stickers is necessary to stay in this segment. We are not holding any customers due to fluctuation in pricing and confusion at retail. Denomination most often needed is $4.00/.40.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Basic continues to increase in sales as distribution expands, and in some stores is already outselling our generic brands. Selling price in most stores is equal to that of Monarch. Where GPC is marked down by .20, it too sells for the same as Basic. Retailers need to be educated in this area as most aren't aware of a price difference between GPC and deep discount. The new design of our brand has also contributed to an increase in sales.

Section 14

Reps. as well as part time people have been stickering and couponing Cambridge and Alpine product. Sales have begun to climb once product is couponed. Product will sell with high value coupons ($4.00). Lower denomination values on coupons do little to stimulate sales. When our product is couponed, Cambridge outsells Doral.

D. DEEP DISCOUNT

Section 14

Famous Value Brand Highlights: GPC's couponing activity ($1.50, $2.00) has hurt sales. The new Basic program has made us more competitive at retail and wholesale and has helped in gaining distribution. (Wholesalers have been encouraged to pass along the additional 75¢ to the retailer to help them achieve the 40% goal required by Wholesale Masters). Merchandising fixtures are currently being sold in and placed at retail to take full advantage of the program. Bronson sales at Wawa are strong. Some stores have run out of product and have reordered. Reps have been placing line numbers into the store's order book and emphasized the importance of keeping adequate inventories on hand.

Basic/FVB distribution for Section 14 is 67%.

Section 11

Basic

Sales on Basic continue to increase, volume MTD is at 47.2% million units, while YTD is at 169 million. The B2G1F promotion was excellent in generating additional volume and distribution. Current distribution for the Section is at 52.8%, some 22.2% short of the revised national objective of 75%. Each District has instituted a plan of action to secure 75% distribution by May 31.

Famous Value Brands

YTD volume on FVB brands is at 33.5 million units. On the basis of the 4/25/93 P.A.S. Report, distribution is at 47.3%.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

II. COMPETITIVE ACTIVITY

A. R.J. REYNOLDS

1. Promotions

Winston: $4.00 Carton/40¢ pack buydown on a 20 carton pre-order (12)
50¢/$1.00 off 2 packs/$1.50 off 3 packs
60¢ off Winston/Winston Lights

Doral: $.40 & $.50 off pack coupons(12)
$5.00 Carton coupons (12)

Salem: $3.00 off carton coupon (13)
50¢ off pack coupon (13)
$1.50 off 3 packs
B1G1F on Salem Gold

Camel: Wides - B3G2F
B3GF ashtray (Reg & Lts, 6"x3" heavy plastic, with Joe Camel playing pool) (14)
B2GF compact disc carrying case (14)
B3GF plastic mug with racing theme (14)
B2GF motorsports lighters on Special Lts. 20-unit ss (also includes a motorsports catalog for Camel items (14)
Special Lights 40-unit ss (14)
Special Lights B1G1F (12,14)
$3.00 on-carton coupon (12,14)
50¢ off pack coupon (12,14)
Catalog III in most stores (14)
FSI for a free pack of Special Lights (14)
Camel Collectibles Offer - RJR has sent out a mailing to their customers giving them three Camel collectibles for less Camel Cash (e.g., Deco Chrome Lighter for regularly 50 C-notes, now only 40 C-notes). (11)
B2G1F coupon with two $3.00 off for 4 packs or carton coupons. (11)
Direct mail coupons for Camel worth $7(12)
B1G1F Camel Filter Box (12)
Special Light Kings & Camel Light have 65¢ stickers on all displayed product (12)
B3G/Belt & Brass Camel Buckle (13)
B1G1F Camel Spec. Ult
Camel Wides .50 Off
Camel Wides B4G/T-Shirt
Also, the Camel 80th anniversary incentive catalog (for unfiltered smokers/product only) is being distributed at retail - customers save, than redeem the pack proofs of purchase cash, for items of perceived high value (such as a brass pocket watch for 20 proofs + $26. in cash). (13)
Camel is featuring a "Triple Camel Cash" vending program whereby coupon as certificates are attached to all Camel packings except non-filter available machines. A plastic vending header communicates the offer to consumers. (11)
[illegible] targeting [illegible] White brand. (12)
B1G1F Select - converting live product to complimentary (14)
$3.00/$4.00/$5.00 on-carton coupon (12,14)
$1.50 off coupon on 3 packs (12,14)
$1.00 off coupon on 2 packs (12,14)
B1 carton, get 5 packs free in carton outlets
Direct Mail Offer - Winston Winners Club called *Free 4 All* when joining, consumer receives $4.00 off carton coupon, plus benefits including merchandise offers, free travel services, V.I.P. treatment at special club events. Special sweepstakes drawings available

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Magna: B1G1F (12)

Now $3.00 off carton coupon (13)

Monarch RJR reps have committed to retail that they will meet any competitive offer on pricing/discount of the Deep Discount segment.
We've had reports of discounting activity at retail on Monarch, with values ranging from 10¢ - 50¢ per pack reported to date. (12)

Also, the response to the Marlboro Leadership program is that RJR will feature all of their brands at $4 off ctn/40¢ off pk (off invoice) from the end of May through the 2nd week of July. Winston Select will be featured at $5 off Ctn/50¢ off pack. Response to their program has been good; retail particularly likes the off invoice concept, rather than waiting for the promo discount payment.

2. Merchandising/Fixtures

RJR attempting to sell in idea that PM will share the cost of RJR fixtures if we intend to sign a contract. (14)

We continue to receive reports from the Albany District that indicate RJR is no longer offering carton contracts to independent accounts who sell less than 300 cartons of full margin product per week. We are unable to obtain documentation to substantiate this rumor.(12)

3. Sales Force Activity

RJR has announced a distribution incentive allowance of 75¢ per carton on **ALL** Monarch shipments during the 2nd Quarter. RJR suggests that the allowance can be used to provide an incentive for sales people, telemarketers, retailers or allow the account to maintain profitability while remaining competitive. (12)

We have obtained a copy of a Monarch invoice which confirms their price increase (list and retail discounts are the same as Basic) and defines all allowances. (12)

In mid-April RJR introduced the Monarch Box. SR's have been brought in from Massachusetts to crew drive the Northern Vermont area with Monarch Box distribution.(12)

RJR Sales Representatives report, they are required to complete 8 daily calls, each of which must have their entire in-store mission. However, their part-time sales force will continue to coupon product, thus reducing the full-timers' workload. (11)

The Utica, NY, Unit reports a new promotion where a mystery shopper will reward the store owner/manager $50.00 and the clerk $25.00 if the clerk directs the shopper to buy Doral. When a shopper appears to be purchasing a competitive discount brand, the clerk must direct the shopper to the Doral display where $5.00 carton coupons or 50¢ pack stickers are affixed. If the clerk directs shoppers to Doral and a mystery shopper is present, then the mystery shopper gives a cash award. So far, no retailer questioned has accepted this promotion. (12)

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

4. **New Products**

RJR continues to seek new distribution of Camel Special Lights Kings and 100's.

Additionally, distributors continue to be presented Jacks, selling at 99¢ at retail. Pine State Tobacco will be taking Jacks during May. (11)

5. **Other**

B. BROWN & WILLIAMSON

1. **Promotions**

Kool: $4 off prebooking to combat MLP (14)
Free Black Cap with 2-pack purchase (11,12,14)
$2.00 on-carton coupon (14, 13)
30¢ off pack coupon (14)
50¢ off pack coupon (11)
$3.00 coupons on 1-carton purchase (11,12)
B2G/BB Cap (13)

Viceroy: $3 off on-carton coupon/vpr (100-carton floor display) (12,14,13)
Free lighter with 1-pack purchase (14)
30¢ off pack coupons (dump bins) (14, 13)

Capri: Free mug with 2-pack purchase. Multi colors available; has Capri logo (13,14)
$2.00 off on-carton coupons (expires 6/30/93) (12,14, 13)

Richland: $4.00 off carton stickers (14)

GPC: Success with "cents off" on single packs. Consumers purchasing Deep Discount brands are more single pack purchasers vs. multi-pack. (14)
$1.50 off per carton (stickers & coupons) (14)
$2.00 on carton coupon (12,14,13)
20¢ pack coupons (11,14)
$5.00 monthly payment for counter mat (14)

Raleigh Extra: 20¢ pack coupon (14)
$3.00 on carton coupons (14)
$2.00 on carton coupons(12)

2. **Merchandising/Fixtures**

Reps are taking GPC product off carton fixtures and remerchandising product on satellite fixtures (5- wides - 5 shelves with pack toppers and signage) (14)

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

3. **Sales Force Activity**

B&W is hiring additional full time SRs; focus has been concentrated on keeping GPC's couponed. Hired 2 Reps away from L&M. Rumor is that they have targeted L&M to obtain personnel with industry knowledge. Increased Sales Rep. coverage to once a week in key deep discount outlets. Auditing these stores to monitor inventories vs. monies spent. (14)

4. **New Products**

Capri 120's: Prebooking for retail distribution 2nd week in May - Lts. Reg. and Lts. Men. only (12,14)

5. **Other**

C. **AMERICAN**

1. **Promotions**

American/American Lights: Both brands are being wrapped as B1G1F with a $2.00 coupon attached at Native American Calls. (12)

Carlton: $5.00 off on-carton coupon (14, 13)
$3.00 off on-carton coupon/with bounceback for an additional $15.00 savings by mail with 10 carton UPC (14)
$3.00 off on-carton coupon/with bounceback for a free desk set with 1 carton UPC (14)
50¢ off pack coupon (40-unit ss) (14)
$1.00 off 2 pack purchase (12)

Montclair: $3.00 off on carton coupon (12,14, 13)
$4.00 off on carton coupons (12)
25¢, 30¢, 35¢ off pack coupons (14,13)
$1.00 off coupon on 2 packs (14)

Misty: Direct mail to consumers includes free "Look Book" catalog with 2 pack UPC's, free pack coupon, B1G1F coupon, $1.00 off a carton or 2 packs coupon (14)
$1.00 off coupon on 3 packs (14)
$3.00 off on-carton coupon with bounceback for free "Look Book" (12,14, 13)
30¢ off pack coupons (14, 13)
$15.00 worth of coupons on Misty with 10-carton proof of purchase

Riviera: B1G1F directed towards Newports (14)
30¢ off pack coupon (14)
$3.00 on carton coupon (expires 12/31/93) (14, 13)

Private Stock: Cooper Booth salesmen are receiving a 25¢ rebate for every carton sold to the retailer (14)
50¢ on carton coupon (14)

2. **Merchandising/Fixtures**

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

3. **Sales Force Activity**

4. **New Products**

Summit
American has offered this Private Label brand to Keystone Tobacco, Grays' Wholesale (Syracuse District) and Colucci Tobacco (Buffalo District) in 12 packings. In price, Summit is equivalent to Basic and FVB. This brand acceptance is reported to be a result of direct account presentations in Atlanta, Georgia. (12)

Summit is available at retail at the same price as Director's Choice. This brand is being handled by distributors Garber Bros., Taunton Tobacco, and Union Tobacco in Southeastern MA. (11)

Carlton Slims Deluxe 100's: (Ultra low tar regular and menthol) Introductory offer of 50¢ off pack/$5.00 off carton.

5. **Other**

1993 ADD plus challenge (American annual program for year) targeting 4 brands - Carlton, Montclair, Misty and Riviera. Promotions are:

$1.00 off 2 packs - Carlton
$3.00 off carton, .50¢ off 2 packs, $3.00 off carton - Montclair, Misty, Riviera
* all programs feature instant store coupon

Distributor payments:

40 pack display placement = $5.35 less $1.35 if American merchandiser prepares
15 carton floor stand $12.50 less $5.00 if American merchandiser prepares retail payment: 40 pack = $1.20
15 carton = $4.50

Participation in 2 programs earns 10% of American Challenge bonus.
Participation in 4 programs earns 25% of American Challenge bonus.
Bonus payment will be issued at end of year in form of merchandise of equivalent values as designated by the American Tobacco Company.
Five or more programs may be used to meet Challenge criteria. Promotional months:

March, April, May - Carlton & Riviera
June, July - Montclair & Misty
August, September, October - Riviera
November, December - Montclair & Misty

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D. LIGGETT & MYERS

1. Promotions

Pyramid: $4.50 off a carton (stickers & coupons) (14)
$2.50/$3.00/$4.00 off a carton (stickers & coupons) (14)
40¢ off pack coupon (14)
$9.99 a carton in high-volume accounts (14)

Lark Lts./Lark: FSI - $1.00 off a carton or 1 pack (14)
B3G2F (14)
$4.00 off on carton coupons (14)
40¢ off pack coupon (14)

Eve: $4.00 off on carton coupons (14)
40¢ off pack coupon (14)
B3G2F - 100's & 120's Reg. & Men. (14, 13)
FSI 4/25/93 (offer for bouncebacks on Eve Moments Collection catalog and 2 free French Milled luxury soaps with 4 pack U.P.C.'s) (14), (11)
Eve Lts.- $7.50 + tax @ Mobil Marts

Chesterfield: $4.00 off on carton coupons (14)
40¢ off pack coupon (14)
B3G2F (12, 13)
$5.00 off on-carton coupon for Filter King & Lt. King (14)

Quality Seal: 99¢ per pack in Rite Aid stores (14)

2. Merchandising/Fixtures

Canceling rack payments in lower volume outlets. (14)
Brokerage Company signing contracts in high volume outlets (14)

3. Sales Force Activity

A Liggett & Myers Rep in the Binghamton, NY, area has reported that this week many upper management positions had been eliminated. The Rep reported that this was announced over L&M's voice mail. Further details are unavailable at this time. (12)

Buying down Pyramid by dividing the shelf price in half to determine retail selling price at Indian Reservation stores in the extreme Northeast part of N.Y.S. (12)

4. New Products

5. Other

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

E. LORILLARD

1. Promotions

Kent: 50¢ off a pack used to reduce retail overstocks (14, 13)
$3.00 off on-carton coupon (12,14, 13)

Newport: Free mug (with race car enclosed) with 2-pack purchase (50-unit floor display, 20-unit counter display - $5.00 payment (14, 13)
50¢ pack coupons (expires 9/30/93) (14)
Slim Lights 50¢, 75¢, & $1.00 pack stickers and coupons (14)
Slim Lights - free lighter with 1-pack purchase (14)
$4.00 off on-carton coupon (12)

Style: B1G1F (14)
20¢ off coupon on 2 packs (14)
$3.00 off on-carton coupon (expires 12/31/93) (12,14)

True: B1G1F (12)

Old Gold: $.50 off on pack(12)

2. Merchandising/Fixtures

3. Sales Force Activity

As previously communicated, Old Gold has reduced pricing with shipments beginning 5/17/93. (11)

4. New Products

Harley Davidson: This brand is being shipped into Buffalo District IRC accounts through Walker of Ohio. (12)

Kent Slim Lt.: 1 packing, 100MM; Non-menthol (14)
75¢ off pack coupons and/or stickers at retail during June/July (14)
$4 carton coupons June/July/August (14)
B1G1F delivered in magazines/August (14)
Magazine coupon $2 off carton/or 3 packs (14)
Wholesale Offer: Intro allowance of $3 per M ($18 per 6M case) beginning May 31 - June 25, 1993; deducted from face of invoice. Terms: 3.25% on all allocated shipments if received within 30 days of invoice date. Geographical area of New Jersey and city of Philadelphia are only two areas that could impact Section 14. (14)

5. Other

Sales Force sampling 20's packs with B1G1F coupon handout on Kent Slim Lights. Advertising to begin in June; predominantly 13 female publications. (14)

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

III. CUSTOMER DEVELOPMENT

SECTION 12

Button Brothers (Herkimer Group member) in Rochester has purchased Newcastle Tobacco effective 5/10/93.

P&C Markets (70 supermarket locations) has stated that they will continue to convert all stores to non-self-service for all cigarette purchases, setting merchandise that is diametric to space to share management. Their strategy also includes a move to price and promote their new RJR private label, Extra Value, with a retail price $2.40-$2.90 below Basic. We expect to terminate our R.M. agreement if they implement this new strategy.

Press Announcements Regarding Our New Direction

Although most Retailers (direct customers were informed via fax) interpreted our announcement as it was intended, many of the consumers interviewed the first week after our announcement had questions regarding a price reduction. Since the press has not aided us in our edification process, we have continued to our best at retail to educate **all** customers and consumers.

Retail Masters Implementation

Although we've been getting better, faster, we still are short hardware in our attempts of "clearing the decks" for 100% Retail Masters implementation. Items on the "hot" list include selected O.P.M.'s and Springloads.

SECTION 13

Austin Drugs

All nine stores have been acquired by CVS as of 5/31/93. We have been in contact with CVS Account Manager Nick Bahou, and he has informed me that the current merchandising plans will be replaced by CVS plan after the 5/31 date. Currently, Austin is participating in the Marlboro Win the Gear Promotion. We are in contact with NYO to complete all merchandising payments up to the acquisition date (which falls before the quarter cutoff)

Mobil Oil Corporation

Contact this month included the following Programs:
Scheduling of Marlboro Van Program at the 12 locations for the month of May. Meeting with D.R. Woods on April 8th and April 23rd confirmed participation.
Marlboro Leadership Program details have been finalized for all 91 dealer locations with ara Sales Representatives handling all pre-books for Long Island and New York City.
Mobil Trade Show scheduled for May 11th and 12th has been confirmed and all needed materials have been secured. This includes the Marlboro Van, OHPM, trade show backdrop and various residual incentive items.
Hosted Mobil Oil Management at the "Skybox" (April 7th) with good feedback regarding upcoming corporate-based PM promotions. (Mobil racing lighter flex program was discussed at this time).

Empire Beverage

Empire has accepted the Leadership Program with all stores being sold in locally. We expect 100% acceptance with many of the groups within Empire to run the ad slick advertising! Promotions obtained are doing well with sales picking up now that the warmer weather has come. Consumers are realizing that they can now purchase their tobacco products here. Over 200 stores have been classified and have been set up as Retail Masters. Placement of package fixtures is at 98% and the balance are awaiting rack availability. Promotions will drive units at these type locations and it is imperative that they remain available to them. Top Choice, their private label brand, in all probability will not reach their required allocation to be purchased. With both Empire and Bonanza Wholesale realizing this , Bonanza is pushing in other deep discount brands in order to capture the volume.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Riese Organization
Has accepted the Leadership Program and will be discounting Marlboro at their 45 locations. They are also looking forward to getting involved in the nigthclub program which is getting under way and would do very well for both Riese (300 plus loc) and PM.

Penn Book (New Account)
Located in Penn Station with 3 current and a pending 4th location, has been signed to Retail Masters contract. Elements are currently being placed in these high-traffic and high-volume locations. Signed by Shirley Pressley, this acount appears to be cooperative and buys into our principles.

SECTION 14

Wawa Food Markets (545)
Bronson: 145 stores currently have custom pack/carton unit for Bronson/Monarch. 360 stores are utilizing PM 5-wide for Bronson until above-mentioned fixtures are placed. Completion for installation will be May ending. Fixtures resulted in 5 additional packings of Bronson in distribution in Wawa stores beginning week of 4/26. Wawa now carries the full line and advertises Bronson as "their brand" during a 4-month ad campaign (outdoor and print).

An additional 12 PM packings were picked up by Wawa in order to qualify for 99% Value Added/Wholesale Masters. Four Alpine/4 Cambridge/3 Merit/1 Virginia Slims distribution to stores will begin when new promotional floor unit/SL pack merchandiser is placed. May/June is anticipated.

Flex Fund Promotion to run April - June. Customized promotion created with Region Trade Marketing. Buy 3 packs for $5.00 on all PM premium brands excluding Marlboro. 1,086,510 flex cards deals were produced for this promotion.

Participated in the Wawa '93 Trade Show and Expo for Wawa store managers and all levels of management. New PM fixturing prototypes were present for store managers to view. PM goal was to educate managers on importance of proper merchandising as well as compliance expectations. Having the Marlboro Van/Kiosk present created much excitement for store managers, resulting in requests for the van to appear at their stores this summer. A list of stores was established and given to Wawa marketing headquarters for their review.

Super Fresh (72)
All 9 packings of Basic accepted. Forced distribution of 45 cartons per store from NCC-Baltimore scheduled for May (648,000 units; out-of-Section volume). Eleven additional stores will be going ss with PM carton fixturing. Store directors are resistant, but headquarters insists. The customized green fixturing (A&P) may be requested by these stores. There is none currently available.

Penn Traffic/Riverside
Accepted 9 packings of Basic delivered April 29, 1993.

Weis Markets
Accepted Marlboro Leadership program for all stores. This is the first promotion accepted by Weis in 12 years.

AWI
Effective April 13, 1993, AWI acquired Scranton Tobacco. All Scranton Tobacco's former accounts will be serviced out of AWI. The sales staff of Scranton will continue to work in the Northeast PA area. However, all other positions were terminated and the warehouse was closed.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Affiliated Foods, also owned by AWI, will bring Best Buy into their product line immediately. The approval for Affiliated to stock the brand was finalized this week by Barry Baker of Coremark. Affiliated will be supplied from the Port Chester, NY, public warehouse until enough volume is generated to warrant Wilkes-Barre to stock Best Buy.

Acme Markets
The first order for Shenandoah will be placed for delivery to Acme Skyline Wholesale for the week of June 1 (4.8 million units). Melrose Displays, the contractor producing the customized fixtures, will have the fixtures completed and ready for direct shipment to stores by the end of May. Acme will decide on POS materials and temporary displays to kick off the introduction within the next two weeks.

SECTION 11

CVS (1200 stores) -- CVS has recently taken on 4 additional Basic packings for a total of 7. CVS makes all packings mandatory for all stores. A 1992 CVS Business Review was presented to Gary Marcotte, Buyer; Brian Busua, Divisional Merchandising Manager; and Dan Rodgers, Vice-President - Merchandising. Discussions focused on 1992 business, as well as 1993 opportunities including a possibility of a PM Permanent Counter Display.

Cumberland Farms (885 stores) -- Profitology was introduced and created a great deal of interest. Cumberland uses a straight gross margin percentage analysis on setting retail for all products. Gross margin dollar contribution by product is not factored into the determination of retail selling price. This is the determining factor in the Monarch success. Retail returns for cigarettes are 30% for all segments. This gives Monarch a great advantage at retail since all selling prices is set off net price. The objective is to work Profitology into Cumberland's thought process when evaluating the profitability of each price segment. This will not be an overnight event, since Cumberland has traditionally priced all commodities in this fashion.

Marlboro Clock Issue
Cumberland remains adamant over the removal of these clocks from their stores. They would not accept ownership for consideration for a non-paid Marlboro display for a specified time span. We have contacted RSI Inc. of Marietta, GA, for the purpose of getting a bid for removal of these signs. Dick Woods, President of RSI, has responded with a bid of $60.00 per store. If we can coordinate theses' removals with the Wal-Mart signage installations, the price would be reduced to $50.00 per store.

Brooks Drug (355 stores) -- Brooks Drug and PM custom designed pack fixtures implementation schedule began on April 20. To date, 92 of 355 stores have been fixtured. All installations are to be completed by June 3, 1993. Feedback on the fixture has been extremely positive. Store managers especially like the built-in spring-load display on behalf of Basic. Special thanks are in order for Jack Nellenbach, Display Systems for being extremely cooperative, and all Retail Merchandisers within the Region for juggling their schedules and making this a #1 priority in "making it happen".

A & P Northeast (76 stores)/Waldbaum Food Mart (42 stores) -- Waldbaum's Food Mart and A & P Northeast have combined the two buying offices. This has created a setback with gaining acceptance of the Marlboro Leadership program, as the new buyer has never dealt with cigarettes and tobacco related items. Further, Retail Masters discussions have been put on hold until the buying offices are properly set up and running.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

First National (70 stores)
Current Events
Finast is in the midst of a major internal management shakeup. They have been spun off from the Maple Heights, Ohio, group and will be known as Finast East. The shakeup was at the behest of their parent company Ahold, Inc. Finast has been experiencing sales and profit dollar losses comparative to last two fiscal years, as well as loss in market share. Joe Shields from the Ohio group has been named CEO and President of the Eastern Division. The internal shakeup has resulted in the dismissal of Bob Yurkus, Senior VP of Marketing, and Ed Cormier, Senior VP of Operations of the Eastern Division. No successors have been named yet. Also, Group VP General Merchandise, Bob Hernandez, has been let go. This is the group in which the tobacco category is assigned. This may prove a blessing since Bob had in the past been the roadblock to many PM programs, including Retail Masters.

Diary Mart (250 stores) New England
Current Status
Numerous changes have taken place in the 1st Trimester. Dairy Mart is in the process of centralizing all decision making responsibilities at their new Enfield, CT, headquarters. A new hierarchy now exists within this account concerning all phases of their business. The applications to the tobacco category are now defined and specific. PM main contacts will be:

Corporate
Ed Doyle - Senior VP Strategic Marketing - Enfield
Dave Jeffco - Senior VP Field Marketing - Enfield
Larry Haile - Corporate Manager - Tobacco - Enfield
Rich Frank - Director Field Marketing - Cuyuga Falls, Ohio
Ben Finneran - Director Field Marketing - Southeast - Louisville, Kentucky
Tom Lamanna - Corporate Director Market Research Sales Development - Enfield/Louisville

New England Group
Denny Tewell - General Manager Northeast
Jeff Leedy - Director Marketing NE
Paul Tremblay - Division Mgr. Corporate Stores
Lee Williams - Division Mgr. Franchise Stores
Pat Bassey - NE Program Coordinator

Profitology was introduced to Dairy Mart and is well on its way to becoming a valuable analysis tool in their operation. Will meet with the Research and Sales Development group, Marketing, Operations and Accounting groups to determine on how to best integrate the output and analysis into each department at what levels. (Division, Region, or State)

Xtra Mart (165 stores)
Current Status
Xtra Mart is currently in the midst of acquiring Republic Oil, (Jaspers Convenience stores). Anticipated close date is the 1st week of May. Once acquired, it will give Xtra Mart an additional 11 C-stores and 15 new gas outlets along with the fuel oil business. The bulk of Jaspers stores are located in eastern Connecticut, an area in which Xtra Mart is not currently very well penetrated. When the acquisition is complete, Xtra Mart will be transferring its remaining four New York state locations to its Mid-Valley Oil Division.

Ames Department Stores
Ames has formally withdrawn from the tobacco category and is in the process of removing all product and fixtures from their retail locations.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

V. SECTION/REGION EVENTS

VI. ORGANIZATION/PERSONNEL

Section 14

Quenten Wentworth promoted from Sales Rep to UM reporting to District 71.

Section 11

University Relations - DM's in the Section continue to implement local recruiting at various colleges and universities through the Section. During April, DM Bennie Darden and UM's in the District were able to successfully recruit and hire 3 new Sales Representatives from 1 panel interviewing involving 2 colleges in Connecticut. As we establish additional relationships with more local colleges, it will allow timely recruiting and hiring of quality applicants.

We have also established a recruiting program at Bentley College. DM Mark Lovley and UM Jerry Donahue have received resumes and will be conducting interviews in May.

VII. MISCELLANEOUS

Allocation Quota Statement Reports
Presently our Allocation Brand Quota Statements MIDAS screen allows field managers to request this report for use in managing buy-in programs; however, in order to view or print any reports they must wait until hard copy is generated at Section high speed printers. The access to account allocation figures is necessary in managing our buy-in programs from start to finish. SI has reported that in order to print these statements locally a project would have to be opened up because present programming is not designed for flexible printing capabilities. Hard copy accompanying buy-in program details or local printing/data access would be worthwhile to the field in managing our allocation buy-in process.

New York Excise Tax Increase
N.Y. State Legislative Leaders and Governor Mario Cuomo have decided to impose a $1.70 per carton excise tax increase on cigarettes. The increase will make New York the highest taxed state in the nation at $5.60 per carton.

Excise Tax (N.Y. & Impending Federal)
We are watching reduced inventories as direct accounts anticipate floor tax liability. In many cases the direct account can ill afford to pay even $5.00 per carton, much less up to $20.00 per carton. Inventory reductions are also a result of our announcement to discontinue trade loading. For example, Herkimer Wholesale is down to approximately 2.5 weeks on P.M. product and 3-4 weeks on our nearest competitor.

Press Announcements Regarding Our New Direction
This has created some problems for direct customers; it seems that retailers are phoning direct accounts asking for the new priced Marlboro at $4.00 less per carton. When the direct customer explains to the retailer that his invoiced cost from P.M. has not changed, the retailer quotes the newspaper, Newsweek, or other publications and/or broadcasts. We are doing our best at retail to educate **all** customers and consumers .

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Universal Coupon
A universal (multi-brand) RJR coupon is now being used in the Syracuse District to coupon cartons. This idea has been received with rave reviews since the UPC code is easy to identify and does not change from brand to brand.

Richmond Generated 1099 Tax Report
Our 1099 report generated for retail customers who have received allowances of any sort from PM USA lacks payment descriptions that make tax time tough for our customers. We would be of great support to our customers if we could provide descriptions of promotional and other payments to customers on the 1099 forms issued annually. We have been in contact with Ron Gragg in Richmond to make the 1099 more "user friendly".

New York State Association Of Tobacco And Candy Distributors
Due to the myriad of discounts available from manufacturers at the lowest end, N.Y.S.A.T.C.D. has sent out an announcement advising their members to maintain one price point in this segment. Their conservative approach is advised until a decision regarding manufacturer discount permissibility can be made by the State Taxation and Finance Department.

Tripifoods Trade Show
On 3/31/93, PM participated in the Tripi Trade Show. DC Bob Kaine arranged an innovative sales program that utilized the MAT VAN and GEAR, to sell 26,083 cartons. Philip Morris received first prize for BEST SALES EFFORT by any vendor.

Marlboro Newspaper Advertising
The $4 off per carton coupon and FSI promoting the MAT was run in Section newspapers on 4/25/93. It would have been very helpful if the FSF was aware of this ad. With advance knowledge we could have anticipated its impact and pre-booked product, thereby eliminating O.O.S. We continue to suggest that the feasibility of sending flyers directly to retailers be investigated from a cost effective perspective. We also suggest the creation of a monthly Retail Masters newsletter (for R.M. accounts) that conveys **brief** program details and announcements as well as other pertinent information.

SECTION 11

The *Mansfield Massachusetts Board of Health* has adopted anti-tobacco proposals (4-7-93), which restricts smoking in public places, restaurants, and workplaces. It also bans self-service displays, samples, coupons, and restricts vending machines.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

REGION 2 MONTHLY HIGHLIGHTS
APRIL, 1993

I. Volume (4/30/93)

	Month	YTD	% Change YTD
Marlboro	876.7	5,672	- 11.9
Premium	344.2	2,178	- 26.8
Discount	885.4	3,756	50.0
Famous Value	177.0	733	100.0

II. P.M. USA BRANDS

A. New Products

B & H Special Kings - Steadily losing distribution in Section 21 markets; retailers continue to pressure S/R's to pick-up product. Recent B1G1F promos helped move about 9,000 cases; however, some distributors were not happy with 12M cases of comp product that were not in white cartons, as they had to make certain this product wasn't inventoried with other B & H product. In Atlanta, Segmented Marketing Services, Inc. (SMSI), a marketing service contracted by P.M. USA, is blitzing both retail and non-retail outlets on behalf of B & H Special Kings. Their efforts include gaining distribution in both workload and non-workload outlets using live product and incentives. Through w/e 4/17/93, distribution was reported at 53% in 1,142 locations contacted.

Marlboro 5-Pack - The $2.00 off in mega accounts moves product, but overall it has been difficult to maintain distribution in many accounts. The special $2.00-off 5-Pack was effective in selling 10,500+ cases of product.

MAT Program - Retailers report MAT is maintaining momentum and have made many positive comments about our recent promos, i.e., 2-pack w/lighter, MAT lantern, and B3G2F. Some retailers stated that they could have easily sold an additional 50% of these offers. The new MAT catalog is generating additional excitement with retailers and consumers.

MLP - There is a tremendous amount of enthusiasm at wholesale and retail about this program. Acceptance is progressing well; however, retailers are expressing concern over waiting two weeks for reimbursement from P.M., while RJR is paying at time of purchase. As of 5/7/93, 66.1% of all accounts have agreed to participate in MLP, and 63.1% of eligible accounts are co-funding.

B. Full Margin

Virginia Slims - Reports from the NC/SC area indicate complimentary product is being used to help move slow selling 10-pack from wholesalers, the recent B3G2F promo has gotten some of our previous VS smokers back from Misty, and B1G1F promos are helping to keep them.

Merit - Brand needs support; constant promotions from Vantage ($3.00 off, B1G1F) have hurt.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

C. **Price Value**

Basic - Sales continue to increase. The B2G1F promotion is selling out within a week with customers asking for more. Many Basic smokers becoming very brand loyal. RJR is responding with $1-2 buy-downs on Monarch, Best Value, and Private Labels; heaviest activity is in Florida.

Cambridge - Section 21 indicates this is becoming the discount brand of choice when couponed at the same level as our competitors' brands. Sales continue to decline in the Carolinas and pack coupons/stickers will be emphasized in the coming months. Region sales are down 28.4% 12MM; more consistency in coupon support month-to-month is needed.

Alpine - Sales are steadily increasing in the inner-city of Washington, DC, while Kool, Newport, and Salem sales are steady or declining. Alpine is gaining a reputation as delivering the flavor that consumers want, but at a discount price. Region sales, however, are down 20.9% 12MM; more support is needed in high menthol markets.

Bristol - Region sales down 53.8% 12MM and 77.7% YTD. Region has lost 635 million units YTD. This brand is dying rapidly without support.

D. **Famous Value Brands**

Several areas of the Region report that FVB brands are becoming more commonplace at distributors and retailers. A recommendation has been made from Section 21 to supply our wholesalers with posters to ship/place at retail.

E. **Specialty Brands**

Nothing new to report.

III. COMPETITIVE ACTIVITY

A. R. J. Reynolds

1. **Promotions** - **Winston** Summer Promotion (5/24/93 to 7/2/93) is designed to combat MLP. Product will be flagged (similar to B & H $.40 off wraps) with retailers only allowed to order a 4-week supply. Co-funding, in addition to their $.40 off promo, is not required although 3 pieces of POS, along with a temporary counter or floor display, is required. A limited amount of existing stock will be couponed at retail after flagged product sells out. Asking accounts that co-fund with P.M. to co-fund with them also to give them a price advantage.

2. **Merchandising/Fixtures** - Activity geared toward placing additional displays. Also placing new lighted counter displays and lighted department markers in Retail Masters accounts where they lost their overhead pack merchandisers.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

3. Sales Force Activity - Emphasis on **Camel Special Lights.** Continue to have slow sales at most locations despite heavy promotional activities such as B1G1F, direct-mail coupons ($3.00 off), and free packs being sent in the mail. Retail audits show brand being merchandised on all counter and floor displays with $.50 off coupons. Consumers have also been sent a special C-note catalog for exclusive Special Light premium such as a cigarette tin box and long sleeve shirt.

4. New Products - See above comments.

5. Other - Section 21 advises that wholesalers are being given an additional $.75 per carton on **Monarch** to use as needed to promote brand. Section 21 reports that $4.00 coupons for **Doral** have been guaranteed to accounts for all summer.

B. Brown & Williamson

1. Promotions - Couponing **Viceroy** at $3/$4 per carton in the Virginia markets with no major affect on our brands. Heavy buy-down on **GPC** and **Raleigh Extra** in the Greenville Market to meet Basic/Best Value/ Monarch price.

2. Merchandising/Fixtures - Placing $90/month FM and PV counter displays in non-Retail Masters accounts as reported from Section 21.

3. Sales Force Activity - No new activity to report.

4. New Products - Will be introducing **Capri 120's** shortly, but Section 21 has no additional info at this time.

5. Other - Nothing to report.

C. American

1. Promotions - In the northern portion of the Region, offering a $5.00 buy-down at retail on **Montclair**, with the objective to bring this brand to the very lowest deep discount price possible. They want to match the $.99 pack price at retail. Promotion time frames are uncertain.

2. Merchandising/Fixtures - Upgrading to larger counter displays in some areas. Introduced 90-unit semi-permanent display for **Private Stock**, with no payment, in the Virginia area.

3. Sales Force Activity - P/T help being utilized for couponing in some areas.

4. New Products - Section 21 advises that 2 new **Montclair** packings will be introduced in May or June (Full Flavor Box and Lights Box); will have B1G1F and FSI's. **New Misty Ultra Lights and Ultra Lights Slims** slowly gaining distribution, but with little consumer response. Offering retailers 17 free cartons of **Carlton Slim Lights** to maintain 24-carton display for 3 months in the Anderson, SC area; $4.00/carton and $.50- coupons/stickers; sales slow.

5. Other - Nothing to report.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

D. Liggett & Myers

1. Promotions - **Pyramid/Eve/Chesterfield** have $.30/pack and $4/carton coupons in some areas; no significant impact noted.

2. Merchandising/Fixtures - Nothing to report.

3. Sales Force Activity - No new activity observed.

4. New Products - **New Chesterfield Lights Kings, Lights 100s, and Full Flavor Kings** in gray pack like Lark reported from Section 21; no significant sales.

5. Other - Section 22 advises that 120 plant employees were laid off in April due to financial problems.

E. Lorillard

1. Promotions - **Newport** offering $.50 off pack and $4.00 off carton to stimulate sales; response has been favorable in some markets. Also, Buy One Pack, Get Free Racing Mug featured. **Harley Davidson** is promoting B1G1F to stimulate sales during May in the Nashville Market.

2. Merchandising/Fixtures - Nothing to report.

3. Sales Force Activity - No new activity observed.

4. New Products - **Kent Slim Lights 100's** to be introduced in June in select markets (promo materials sent via fax to NYO from Section 21).

5. Other - Sales of **Old Gold Filters** are on hold from the factory. Wholesalers believe Lorillard is trying to sell-down wholesale inventory prior to price reduction to discount brand levels (Section 21).

IV. CUSTOMER DEVELOPMENT

Crown/Fast Fare (166 stores), Richmond, VA - Signed 28 stores to Retail Masters and 138 stores to Retail Associates Program.

Wilco Stores (111 stores), Winston-Salem, NC - Agreed to MLP and co-funding, Basic, and a Marlboro counter display.

RaceTrac (195 stores), Atlanta, GA - Plan-o-grams for carton fixtures have been approved for implementation per Retail Masters. OPM's have also been approved to replace all competitive fixtures.

Pilot Oil (97 stores), Knoxville, TN - Retail Masters has been completed with the order of Custom OPM's. Currently working $3.00 off/$.30 with Flex Funds.

Golden Gallon (112 stores), Knoxville, TN - Currently working $3.00/$.30 with Flex Funds. This account likes our new OPM's; 5 placed last week.

Favorite Markets (109 stores), Dalton, GA - Currently working $3.00/ $.30 with Flex Funds.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Conoco Oil (221 stores), Chattanooga, TN - Currently working $3.00/ $.30 with Flex Funds. Advertising this with billboards.

V. SECTION/REGION EVENTS

Plans have been finalized for golf outing at the TPC Avanel (Section 21).

H. T. Hackney, Knoxville, TN, recently purchased Merchants Supply of Orangeburg, SC.

Professional 2-Man Volleyball - Pensacola Beach, FL - Worked along with local Miller distributor to gain visibility for Marlboro during this 2-day event. Samples, as well as select incentives, were used in Miller's VIP tent.

VI. ORGANIZATION/PERSONNEL

Nothing significant to report.

VII. MISCELLANEOUS

USA cigarettes being presented to the trade by new USA Tobacco, 7518 White Pine Road, Richmond, VA. Cigarettes are to be distributed in USA and abroad. Four packings are available - USA full flavor filters (menthol and non-menthol) and Lights (menthol and non-menthol). Rumor in the Richmond area is that an ex-Philip Morris employee is running the company. USA is supposed to taste like a Marlboro. NYO has been provided with all details available and copy of pack designs.

American Spirit cigarettes, manufactured by Santa Fe Natural Tobacco Co., Inc., are being presented to wholesalers in Section 21.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

REGION 3 MONTHLY HIGHLIGHTS
APRIL 1993

I. VOLUME	MONTH	YTD	% CHANGE YTD
Marlboro	703.5	4,924	-7.3
Full Margin	281.1	1,805	-20.8
Basic	321.2	1,222	100.0
Famous Value Brands	280.5	1,241	99.2

II. PM USA BRANDS

A. New Products

B & H Special Kings - From St. Louis, Districts report brand continues to suffer as accounts are dropping slow movers to cut costs and help increase their Black & White inventories.
Current distribution for Section 34 is 81% in DART. Reps report distribution becoming harder to maintain due to slow sales. Used 100% of allocated B&H Special Kings product for B1G1F promotion. In addition, utilized extra allocation from Section 35 to help move the product sitting at wholesalers. All Shippers used at headquarter jobbers by sales force. Some wholesale grocers used product only to better move excess product.

Marlboro 5 Pack - From Section 35, packings continue to need a permanent and more stable place to display. This, combined with pulse oriented support, is a must to reach their potential. Many Units are using the Flex Fund to re-introduce these packings with a price off offer and display participation.

B. FULL MARGIN

Marlboro Adventure Team & Marlboro Leadership - Section 35/Dallas - The selling of leadership has been extremely successful as 90% of accounts contacted are participating in the leadership with 84% agreeing to co-fund. With RJR announcing their attempt to match PM with the reduction of Winston by $4.00, the war has taken a new twist. RJR has been discouraging retailers from co-funding and has stated that PM is asking retailers to fund it's programs. We have had numerous retailers come back to PM and complain about having to co-fund with us when RJR does not require it. When asked if they want to be considered a leader in pricing and want to increase customer count using the number one trade mark, they begin to realize the value in featuring Marlboro. In addition, the recent media support (FSI for $5.00 off and 25 bonus miles Sunday 4/25/93) and the direct mail campaign is generating excitement for the brand. The extension of Adventure Team combined with the Win the Gear elements is proving to the retailers that we are not asking them to fund our promotions, but to simply capitalize on the opportunity to drive additional sales through leadership pricing. Since the majority of our locally influenced chains have agreed to co-fund and actively promote the Leadership program with advertisement and P.O.S., we expect significant sales gains to be made at the expense of the national chains that elected not to co-fund.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Marlboro Van Program

The Powerforce van program receives mixed reactions from the field. In most instances, it has created additional excitement with consumers. Retail acceptance has gone extremely well since it has created plus sales for the store. Nevertheless, Powerforce has problems with managing their people and it has caused problems for PM sales force. In several documented instances, Powerforce reps only worked for four hours when scheduled for full days (eight hours). This has resulted in stores having leftover products because they anticipated a high level of sales for eight hours. In the Waco district, incentives have not arrived. Since this program was booked three weeks ago, it is impossible to reschedule. We have been forced to use old incentives from previous special events, creating customer dissatisfaction. The Powerforce Waco unit is experiencing manpower shortages, and also in other cities, they cannot fill all positions and are experiencing turnover.

Benson & Hedges/Merit/Virginia Slims - (Section 36) The **Virginia Slims** B1G1F Promotion was well accepted at retail. The longevity of the display was very short, in fact, store managers are asking for additional promotions. This promotion was able to gain trial from our competitors' smokers, Misty and Sterling.
The combination B1G1F and free 1/2 carton with carton purchase also showed good movement, however, sales are mostly in packs. The Virginia Slims Tennis Tournament water bottle promotion was shipped through PM Express and is now in place at retail. This promotion has brought added visibility and sales to this brand family. Comment from some retailers indicates that there is some request for promotions on the Virginia Slims 120s.

Merit - Nothing new to report.

C. PRICE VALUE/BASIC

Section 31 - Reps are working to reach targeted distribution levels, gratis has helped in this area. B2G1F is moving extremely well. Promo is taking business away from Best Value and GPC. Since Basic is more available and visible, sales continue to rise. Accounts that have not carried it have added brand due to consumer demand.In the Springfield District, B&W is now matching Basic, taking retailer's invoice and the difference between GPC and Basic is the buydown.

Section 32 - Basic distribution continues to be the main objective of the Sales Force. Are presently at 60% distribution and project distribution level of 73% in both chain and independent accounts. Accounts without distribution have been targeted this month and should increase significantly. The additional 75 cent allowance has put Basic competitively priced in the Black & White category.

Section 33 - Reports from all Districts on the Basic Distribution Drive are very positive. Most wholesalers who have one of our private label brands understand our rationale for increasing our emphasis on Basic and are accepting Basic, along with their private label. Many of them are looking at this as a way to maintain their 40% share of the Deep Discount business to qualify for full Wholesale Masters participation. There are, however, some wholesalers such as Myers Cox in Dubuque, IA that feel we are trying to compete with them. They have indicated that our integrity is an issue since we committed to them several years ago to help build their private label business. The commitment to the wholesalers that we will not push for Basic Distribution where the private label brand is the sole black & white in the account has had some appeasing effect.

Section 35 - The Basic distribution drive continues as we are at 67% distribution as of 4/18/93 data. The leveraging of retail masters, wholesaler support with passing along manufacturer allowances, and B2G1F promotions are all being used to attain the 75% objective.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

DISCOUNT BRANDS

SECTION 36 - Cambridge and branded generics are suffering because of the deep discount growth. PM attempts to remain price competitive with Doral and Sterling through pack and carton stickers and coupons. RJR has increased their coupon denominations as high as 70¢ to gain the price advantage. Several reports that Doral is being bought down to 99¢ in higher volume RM accounts on large quantities on a one time sell-in. Sterling and Magna receive the same support and are priced the same as Doral.

Alpine sales and distribution are declining, as the brandis not being supported with price and retailers cannot afford to hold inventory that is not turning. They will, however, accept incentive displays and this helps PM maintain some distribution.

Bucks is also suffering from lack of support and many stores have dropped distribution. Retail audits show much of the distribution is out of date product.However, Bristol is suffering most because this brand was stronger than Cambridge during the 4th Qtr. 1991. Because we are not price supporting Bristol along with Cambridge, we are losing distribution, and especially merchandising. There is a unique opportunity with Bristol. If PM reduced the price on Bristol to make it a deep discount brand, PM could re-capture some of the market share lost to Monarch. Bristol already enjoys good distribution. Bristol was responsible, in large part, for PM becoming the dominant branded generic leader in 1991. Bristol has good name recognition and smokers like the taste. Most important to the retail trade, PM would not be adding another brand with eight packings. Most important to PM is we would not have to go through the expense of development and bringing a new brand to market.

Cambridge

Section 35/Dallas

After analyzing the trends in the D.F.W. market, branded generic share has decreased nearly 7 share points (29%) in the past 4 quarters. PM's branded generic has decreased a disproportionate 53% from 7.33 to 3.44 share. This has all been at the expense of Deep discount which has increased from 7.45 share points to 21.17 share in the same time frame. PM has not been aggressive with addressing the erosion. Coupon budgets being frozen in late 1992, confusion with pricing, untimely reissuing of revised budgets, and limited promotional support are just some of the reasons for the decline. Further analysis has found that when Cambridge is competitively couponed and promoted the consumers will purchase Cambridge over Doral. With this analysis, we are launching a one week attack of the top 25 PV accounts in each assignment the week of 5/17/93. All 10 units in the metroplex will be included in the drive. The week of 5/17 was chosen for several reasons. First, Marlboro leadership selling will be completed and the program does not begin until the 24th. Secondly, the competition will be aggressively working their Winston $4.00 off program (as it begins one week earlier than MLP). We hope to give them a 1,2,3 punch with the MLP, Cambridge initiative, and our Deep discount drive. We will communicate the results after the blitz.

D. FAMOUS VALUE BRANDS

Section 31 reports usiness growth continues to be up significantly:

Section 31	+100.0%
St. Louis Market	+100.0%
Memphis Market	+99.8%
Springfield Market	+4.4%
Paducah Market	+59.6%

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

However, there are concerns at this time as RJR is being successful in gaining distribution on their territorial private label products, i.e.,Pilot in Huck's, Marker in FKG, and Smokes in Wareco, while our price points remain competitive, they are not the stores' advertised "hot price". As a result of the stores having propriety in a brand which also makes them more money, sales of these store brands are the accounts' focus within this category and generally far outpaces sales of Basic or Premium Buy.

From Section 32 - **Eagle**, used as Corr Williams's exclusive Black & White, has felt some pressure from Basic, causing some concern for Corr Williams houses and sales force. In order to obtain our set objectives, have placed Basic in accounts controlling 60-70% of Black & White business with Eagle. However, the retail accounts carry as many as four competitive Black & White labels.

Shield - In accounts that Shield is being used as our deep discount brand, it continues to show sales gains even though being pressured by Best Buy using a 20 cent less buydown sponsored by RJR.

III. COMPETITIVE ACTIVITY

A. R. J. REYNOLDS

1. Promotions -

WINSTON
Selling in wholesale-promoted $4.00 program to mirror our MLP without co-funding; $3.00 off coupons, $3.00 & $4.00 in DFW market; $4.00 coupons; $1.50 off 3pks; $1.00 off 2 pks; 4 pack with Key ring/Pen flashlight.

SALEM
Corduroy Cap w/ 2 pks; Cap w/ 3 pks; $1.00 off 2 pks

VANTAGE
$3.00 off ctn coupons; $4.00 off in DFW market; Classic ashtray w/ 4 pks; $1.00 of 2 pk

MORE
$3.00 off carton coupons.

NOW
$3.00 off carton coupon; $1.00 off 2 pack; Lighter w/ 2 pk purchase

CAMEL
Sell in of Wholesale program to follow Winston/Salem at $4.75 off.
Special Lights 5 for 3; Special Lights 2 for 1; $3.00 off carton; Camel Cash catalogs remain in field and replenishing Convertible Top lts bx; 3 pk w/pool table ashtray; 3 pk w/ coasters; 50¢ off all packings in supermarkets on pack toppers; Mail out 3 coupons totaling $7.00 off purchases.

DORAL
$3.00-4.00 off carton buy down & 50 to 70¢ on packs.
Sterling/Magna
30¢ off pack
2 for 1 on Sterling

FOCUS
30-85 cents off at wholesale

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

2. Merchandising/Fixtures - Nothing new to report.

3. Sales Force Activity -Nothing new to report.

4. **New Products** - Section 31 reports Camel Special Lights being promoted very heavily with POS in stores in small quantities. A 20 or 30 pack set sell display with free matches is being used. Also B3G free ashtray. Section 32 reports of 65% distribution on this brand. Using B1G1F to gain distribution, but sales are slow. Brand is being placed on permanent counter displays.

5. Other - Nothing new to report.

B. BROWN & WILLIAMSON

1. Promotions - Section 31 reports B&W has revitalized their GPC Buydown Program. Offering to select wholesalers, off invoice allowances be passed along to the trade. The off invoice allowance will run at the wholesale price, and will have a $2.25 carton off invoice value. Are selling the program in 5,000 and 10,000 carton increments to accounts such as International Foods.

   All Sales Reps in the Jackson market were allocated 20 cases of GPC to offer buydown at retail at $1.25. Average GPC retail price is $1.09. Other Black & Whites are $1.20. In selected stores, such as tobacco shops, the price of GPC is at $.99.

   Section 33 reports they are continuing to focus their attention on GPC's, utilizing buydowns to ensure that it is the lowest priced brand in the retail outlets. There are some reports from the Des Moines District that retailers are upset with them due to booking large quantities of product with the promise of couponing at a $2 rate. However, they are returning and couponing at $1.50 rate and only couponing half of the product. Rumor in the Kansas City District is that they are talking to retailers about a $4 buydown on GPC's for the same time period as our Leadership Program in order to maintain the $4 gap. Other promotions they have implemented during this period include:

KOOL
Cap w/ 2 pk
$2.00 off (60-120ctn)
$3.00 off carton
50¢ off pack coupons
CAPRI
Mug w/ 2 pk
50¢ off pack

PRICE VALUE
GPC
$2.00 VPR CTN
15 cents off pack
Are currently using universal price off sticker gun to combat Basic
Are consistently beating Basic price in select accounts
Viceroy $3.00 off carton
Viceroy lighter/ 1 pk
Raleigh $1.50 - 3.00

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

SAVANNAH
Heavy POS targeting female smokers

2. **Merchandising/Fixtures** -
B&W continues to use GPC's sales to influence accounts to position their product to a #1 generic position. Both B&W and RJR have tried to use PM's Retail Masters principles, stating that since one of their packings is the #1 seller in that particular area, it should have the #1 position. To date, we have been able to offset competitive advances on the positioning of displays, and are having difficulty in trying to compete with Monarch and GPC pricing.

3. **Sales Force Activity** -
From Section 36 - The local sales force in the Corpus Christi area is having a "P.O.S." push and is currently concentrating on removing R.J.R. P.O.S. They have also introduced new P.O.S. tools such as street talker signs promoting Savannah Lts, Counter mats, Clocks, and decals featuring Kools.
Houston reps are having a contest with a sales incentive base. Objective is to be top salesperson based on volume sold. No word as to what prize will be for this achievement.

4. **New Products** - Nothing new to report.

5. **Other** - Nothing new to report.

C. AMERICAN

1. **Promotions** - Include:
Montclair - 30¢ coupons off per pack; $5.00 off
Misty -30¢ coupons off per pack; 2f1; $3.00 off ctn
Carlton Slims -Off label, $4 per carton with reintroduction. Packs also have 50¢ coupon.
Riviera - $4.00 off with the opportunity to save UPC's for additional $5.00 off.

2. **Merchandising/Fixtures** -Nothing new to report
3. **Sales Force Activity** - Nothing new to report
4. **New Products** - Nothing new to report.
5. **Other** - No change from last reporting period.

D. LIGGETT & MYERS

1. **Promotions** -
Lark, Eve, Chesterfield: B1G1F-ctn
Eve: 2F1, 5F3, $4 off ctn coupons and $5 buy down
Chesterfield: 2F1
Pyramid: $4.50 and $5 buy downs

2. **Merchandising/Fixtures** - Nothing new to report.
3. **Sales Force Activity** - No new activity.
4. **New Products** - Nothing new to report.
5. **Other** - Nothing new to report.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

E LORILLARD

1. **Promotions** - Include:
   Harley Davidson - B1G1F; Free cap w/ 1 pack; 30 unit w/o pay
   Newport - B1G1F; Free racing cup w/ 1 pack 40 unit display
   StyleB1G1F 20 unit display
   Couponing and Discounting
   True - $3 carton coupons; True special delivery club - Bounceback money & gift offers
   Harley Davidson - 50¢ & 75¢ pack coupons; $4 ctn coupons
   Kent - 50¢ pack coupon; $3 & $4 ctn coupons
   Style - 30¢ pack coupons; $3 carton coupons

2. **Merchandising/Fixtures** - Nothing new to report.

3. **Sales Force Activity** - Nothing new to report.

4. **New Products** - Section 32 reports Kent Slim Lights have been ordered in at wholesale, no special retail activity is being seen at this time.

5. **Other** - Nothing new to report.

IV. CUSTOMER DEVELOPMENT

SECTION 31 -

Wetterau, Inc./St. Louis, MO - George Chirtea, formerly a Senior V-P with Wetterau, has been brought into the SuperValu Headquarters as a V-P of Merchandising. This is positive for PM as our relationship with George is excellent. Rumors are now that the St. Louis Wetterau Region Officewill be closed in July and those operations moved to Eden Prairie, MN.

Discount Smokeshops/St. Louis, MO - Have signed leases on three locations in Kansas City. Plans are to have 8-10 total locations in theSt. Louis area and 6-10 in Kansas City.

SECTION 33

Bakers/Omaha, Neb- District Manager Grant Bergmann, RMI Mark Anton and UM Greg Douglass met with Steve Bowman of Bakers to discuss next steps in analyzing their scanning data. A profitability model was introduced to Steve and he was very interested in it and has been supplying additional data for completion of the model. A basic RDM cluster analysis was discussed with him as well. Steve is very interested in using portions of all 3 of the informational sources (RDM, Profitoligy and Scan Data Analysis) to not only help him identify opportunities but also to sell upper management on implementing more aggressive merchandising with the category.

Amcon

DM Grant Bergmann and SSD Jim Mortensen met with CEO Kathy Evans to present our strategy with Basic and to gain acceptance of Basic in all Amcon warehouses. She agreed to take Basic in all warehouses and asked that we abide by our strategy of not placing Basic where Genco is the only deep discount brand in the store.

AWG/Kansas City - DM Kathy Lopez, SSD Jim Mortensen and SAM Linda Hadel met with CEO Mike DeFabis and VP Dennis Kinser to present a business review. The main point presented was the concept of AWG presenting Retail Masters to their various store groups (i.e. Price Chopper, Balls, Sunfresh, etc.). They would act as the negotiator, allowing PM to gain exposure in several underrepresented chains. We will follow up to gain volume figures.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

SECTION 34

Dillons/Hutchinson, KS - SAM Karen Peterson, DM Alan Rexrode contacted Dillon's on April 15th concerning Retail Masters and Wholesale Masters. Wholesale Masters was signed for 1993. Obstacles concerning Retail Masters were Philip Morris space on carton fixtures, package fixture placement and adequate space for BASIC in all stores. After the meeting, Dillon's accepted Full Participation in all stores.

1. They agreed to give Philip Morris adequate space on the carton fixture.
2. They agreed to get rid of the value centers and place all Black & Whites on the carton fixture including Philip Morris BASIC.
3. To give Philip Morris a 5 wide, 4 shelf high fixture for Marlboro in each store's front end.
4. Adequately merchandise BASIC
5. All locations that Karen had asked for on the springloaded package fixtures.
6. Give Philip Morris POS presence by accepting two ash cans, one on the inside of each of their stores two doors. After POG's are approved by SAM, Karen Peterson, contracts will be signed.

SECTION 35

Fina just completed a Marlboro Flex fund promotion using the Flex fund @ 2.00 and co-fund @$1.00 to arrive at a $16.99 / ctn. selling price in Texas. The results were that Marlboro sales increased 400% increasing Marlboro sales to 28 cartons per week from 7 per week. Fina will be participating in the M.L.P. program. Their margin prohibits them from participating in any further co-funding.

Brookshires (Tyler, Tx.) - Brookshires merchandising reset is underway with all S/S merchandising being locked to a NSS department. The resent includes the removal of RJR value centers and independent Private Label fixture. SAM Nick Camfield has been consulted to head up the change over. Brookshires will be participating in the M.L.P. with all elements including co-fund. The exception will be those stores that are at meets competition pricing will not be able to co-fund. However, because of the meets competition policy they will aggressively price to the market.

7-Eleven (Dallas, Tx.) - Mike Grande has sold in the M.L.P. elements to Corporate. To date they have not agreed to co-fund and he is under negotiations with the logistics of implementing the program. Potential problems exist with their request to have PM sales force stickering all of the MLP product and contacting each store twice a week for the duration of the program. This is nearly impossible to commit to.

SECTION 36

H.E.B./San Antonio, TX (159 stores)

HEB has accepted the leadership program and will be retailing cartons at $15.99. The program will be extended for five weeks with the use of flex funds.

Diamond Shamrock - San Antonio, TX (765 stores)

Diamond Shamrock has accepted the Marlboro Leadership program and will be pricing packs at $1.79 across the state of Texas. This represents a co-fund of 40¢ in many of their markets that currently price packs at $2.59. In conjunction with Leadership pricing, flex funds will be utilized for a billboard program (approx. 1,100 statewide) and two newspaper ads in each of Diamond Shamrock's markets.

GSC/San Antonio & GSC/Joykist - San Antonio, TX

Both accounts were re-signed to Wholesale Masters and met value added distribution at 99.9% and 100% respectively. Current YTD. figures at GSC/San Antonio and GSC/Joykist are +100% and -8% respectively.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000

Kroger Houston (94 Stores)
Kroger completed their Flex Fund Marlboro Price Reduction program on April 6. This co-funded program was advertised in their flyer for one week and ran at all stores for 2 weeks. Marlboro sales increased 60% for the two week period. Carton rack placement began in April. One store was set. Some problems with security shields have slowed down progress; the remaining stores are scheduled for the two week period beginning May 10. Half of the chain will be converted to SS on PM fixtures. Placements of the express lane B display have been completed in all but 10 stores. They will be finished this month.
Kroger will participate in the Leadership Program and will co-fund at least $1 per carton. They intend to advertise in their flyer again.

E-Z Serve (520 Stores)
Account purchased an additional 14 million units of Marlboro MAT 2 pack product that was remaining from the January promotion. This product was pulled from GSC Sulphur Springs (they took all that was left) and from McLane Southern, SunEast and Southeast. Account agreed to participate in MLP, but is also very concerned with the potential "exposure" if sales are indeed more than the 20% allocated. They claim at these levels, they are afraid of being overly aggressive so as not to lose money. Portland results are not significant to them due to differences in seasons, markets, marketing ability, etc. They will not co-fund because allocations are not great enough to allow for break-even.
Account is participating in Marlboro 5F3, Cambridge 2F1.

V. SECTION/REGION EVENTS

Marlboro Music/San Antonio, TX - June 6,1993
The upcoming Marlboro Baile (The Dance) promotion in San Antonio set for June 6th has started getting air time on local Hispanic radio stations. In addition, PM is supporting the weekly dance contest with two pack incentive purchases at a popular San Antonio Tejano night club. Our suggestion is to provide the Powerforce van program with tickets as an incentive to increase Marlboro sales. In addition, tickets should have been provided to the local sales force to promote the event at numerous Cinco de Mayo events occurring throughout the week of May 1st.

VI. ORGANIZATION/PERSONNEL- Nothing to report.

VII. MISCELLANEOUS
Section 31- Initial acceptance of the Marlboro Gear Truck has been excellent. All Retail Masters accounts that have been presented to date have expressed their desire and enthusiasm for participation. However, implementation has been delayed due to hiring of personnel for the St. Louis District.

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Source: https://www.industrydocuments.ucsf.edu/docs/xlxl0000